

Department of Social Services Progress Report

Quarter ending December 31, 2014

Budget Proviso 38.26

38.26 (DSS: Federally Certified Child Support Enforcement System Project)

Effective July 1, 2014, the CFS Project Executive Committee is abolished. For the current fiscal year, the direction, management, oversight, and decision-making authority previously exercised by the CFS Project Executive Committee is placed under the sole authority of the Director of the Department of Social Services who shall make all final decisions regarding the project. The department shall publish on its website quarterly progress reports on the project's timetable to achieve a Federally certified Child Support Enforcement System.

This report is submitted in response to Budget Proviso 38.26 of the 2015 Appropriations Act. The developments in this quarter were reported on December 16, 2014 when the Department gave a briefing on the Automated Child Support Enforcement Project System Status and Contract Controversy Update to the Senate Finance Healthcare Sub-Committee.

1. Status of the System

- During the period August 2013 – July 2014, the CFS Project team recovered and evaluated the computer software program left at the termination of the Hewlett Packard (HP) contract in July 2013. The CFS Project team also reviewed hundreds of requirements, design and other project documents. Initially, DSS believed that the most expeditious way to achieve a certifiable system was to finish system development and testing of the HP system. However, after extensive evaluation, the team determined that given the amount of work needed to complete the HP system, it would be prudent to evaluate other options for securing a certifiable system.
- The team evaluated the possibility of transferring a certified child support system from another state. The team considered systems in California, Delaware, Florida and New Jersey, all of which became operational after South Carolina awarded its contract in 2007.
- Delaware and New Jersey were the only states with a judicial organizational structure similar to South Carolina's structure. Delaware was the only system implemented using a .Net/SQL platform, necessary to match DSS technology standards. The Delaware system was built to the latest (2009) Federal Certification Guide and contained updated federal certification requirements, including electronic income withholding orders (e-IWO).
- An initial analysis comparing the cost and duration to complete the HP system versus transferring the Delaware system indicated that transferring the Delaware system would be more cost effective. This preliminary analysis was completed in August 2014.
- The preliminary analysis influenced the mediation with HP, which occurred concurrently with the analysis. The analysis was also used to establish DSS's preliminary budget request for FY16.
- In September 2014, the federal Office of Child Support Enforcement (OCSE) determined that the change of course proposed by the State requires a full Feasibility Study. This study, required of all states starting a new child support project, involves a detailed analysis of all options considered for implementing a system, including a site visit to the target transfer

system (Delaware). Staff are now documenting and estimating the cost to “fill the gaps” for the transfer system to meet South Carolina’s needs, and the cost to complete the HP system. This information will be used to develop a cost benefit analysis. OCSE has 60 days from receipt of the study to review.

- Federal funding has been approved for this portion of the project.

2. Settlement/Mediation

- South Carolina and HP entered into a mediation agreement and secured the services of MarksADR to facilitate resolution of the contract controversy initiated by the State. An agreement in principle has been reached and final terms and conditions are nearing completion. The final settlement will have to be approved by the Chief Procurement Officer and the federal Office of Child Support Enforcement.

3. Feasibility Study

The Department’s CFS Project team is now in the process of preparing a Feasibility Study for approval by OCSE. The purpose of the Feasibility Study is to perform a detailed analysis of the possible options for implementing a statewide CSES and to compare the results to determine the most cost effective option.

The work noted in items 1 and 3 is federally mandated and supports the determination of the resources, cost and schedule necessary to deliver a statewide CSES.